



DISCLOSURE
AFFILIATE ORDER ROUTING

Apex Clearing Corporation (“Apex”) wishes to inform our correspondent and their clients of the following conflicts of interest regarding the routing of Apex orders:

Apex executes trades for affiliated entities and uses those affiliated entities as counterparty to trades submitted by its correspondents. Specifically, Apex routes orders to CODA Markets which interacts with PEAK6 Capital Management LLC. PEAK6 Capital Management LLC is an affiliated entity of Apex through common ownership. The arrangements between Apex and CODA Markets and PEAK6 Capital Management are intended to facilitate trade execution for our correspondents and their customers, with the resulting expenses and revenue from the trading activity apportioned between these entities.

Apex’s orders are traded on a systematic, automated basis (e.g., using a wheel-based routing algorithm). In certain instances, orders may be directed to a specific routing venue, including one of Apex’s affiliated entities. You may request that your orders be sent to a specific routing venue; however, such instruction may limit the range of execution alternatives and you may not receive the best execution available in the marketplace.

When Apex receives an order, it uses reasonable diligence to ascertain the best market for that trade so that the resultant price is as favorable as possible under prevailing market conditions and the customer’s provided instructions. Apex takes several factors into consideration in determining how to execute and where to route orders, including, among other things:

- Trading characteristics of the security and character of the market for the security (e.g., price, volatility, and relative liquidity)
- Size and type of transaction
- Number of primary markets checked
- Transactions costs
- Opportunity for price improvement
- Accessibility of quotation sources including speed of execution; and
- Any special handling instructions guiding the execution of the order (i.e., VWAP, TWAP, over the day, etc.)

To avoid any conflicts of interest in using affiliated entities to execute trades, Apex conducts regular and rigorous reviews of transactions for quality of execution. To that end, Apex regularly convenes a best execution working group which is comprised of members of the compliance, technology, trading, and business management teams.